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## SSG Briefing

Sudan: Nimeiri in Trouble

Nimeiri's problems include a bankrupt economy, rising unhappiness with the central government in some regions and a well-documented assassination plot sponsored by Qadhafi. We had believed that Nimeiri's skill in balancing various domestic opposition groups, improved security, and the loyalty of the military would enable him to survive those challenges, but in recent weeks the situation has worsened. Civilian morale is the lowest since Nimeiri came to power in 1969. More ominous elements of the military, including some senior officers, believe that Nimeiri is not the man to lead the country out of its present difficulties.

We believe that the odds are now against Nimeiri remaining in power for much longer.

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If Nimeiri is forced from power by the military, First Vice President Khalil, a pro-Western career officer, would be the most likely successor. Sudan's policies would continue to be moderate and pro-US, but Khalil too could fall victim to a coup led by more radical officers unless there is some improvement in the economic situation.

Foreign exchange is Sudan's most pressing problem.

- IMF Agreement. Sudan's Finance Minister will be in Washington Monday to iron out terms for a \$220 million IMF loan. Differences over fiscal restraints and future exchange rate changes are threatening the agreement. Aid donors and creditors want an IMF agreement as proof of Khartoum's willingness to pursue reforms.
- Aid Donors. Sudan needs \$330 million beyond the IMF loan to cover its 1982 balance-of-payments gap. Riyadh has long promised aid, but has not delivered; the Finance Minister may sound out the US for additional funds.
- Debt Rescheduling. Last Wednesday, Sudan finally concluded a rescheduling agreement with private bankers. This is a positive step, but it means Sudan needs \$106 million in the next three months to repay overdue interest or the agreement could fall apart.

The closing last week of Sudan's only oil refinery because there was no money to pay for imported crude is reflective of Sudan's straits.

It is questionable, however, whether any amount of aid will help Nimeiri remain in power. His personal position may have deteriorated beyond the point of no return and US aid might at best help a moderate successor regime stay in power.

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